

EXTENSIONS OF REMARKS

Address of Hon. Gale W. McGee, of Wyoming, Before the National Association of State Agencies for Surplus Properties Convention

EXTENSION OF REMARKS

OF

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a speech given by my colleague, the Honorable GALE W. MCGEE, junior Senator from Wyoming, on June 24, before the National Association of State Agencies, meeting in Grand Teton National Park, Wyo.

Senator MCGEE has shown, in his short time as a Member of this body, intelligence, foresight, and the ability to cut to the heart of a problem. Perhaps the beauty of the Tetons has inspired him further—for this speech on the vital need for truth and new ideas shows breadth of vision. He brings into perspective the image America must present to the underdeveloped countries of the world.

I hope my colleagues will all find time to read his remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE GALE W. MCGEE, SENATOR FROM WYOMING, BEFORE THE NATIONAL ASSOCIATION OF STATE AGENCIES FOR SURPLUS PROPERTIES CONVENTION, JACKSON LAKE LODGE, GRAND TETON NATIONAL PARK, WYO., JUNE 24, 1959

I didn't realize that you had been in session so long this afternoon that you had to stand for relief. Believe me, I appreciate that. You know that does a freshman's heart a world of good because a freshman doesn't receive great respect back there in this new game in which I am now a participant; and so when I can come out here and live it up and then be accorded a standing ovation, it's great for one's morale.

Indeed I am proud of all the States that you have associated me with, although I began to suspect that you were talking about a sort of interstate bum who was just one step ahead of a dissatisfied employer from time to time. Anybody who is entitled to claim so many States for residence is automatically suspected. We had to leave Nebraska because we couldn't find a climate of opinion there that was receptive to mine. They still don't receive some of my ideas well, although my mother maintains a beachhead there in the interest of the family. But she has to be a Republican committeewoman in order to do that.

Colorado—Lorraine and I did spend our honeymoon in Colorado. It's a very wonderful place. They have beauty but it's commercialized beauty. They don't have the naked, raw, rugged beauty such as you look out upon from the window of this hotel and enjoy.

Unfortunately, the commercialists have invaded our lands in Wyoming, too, and we who truly love the West and love it for its native beauty secretly resent this intrusion

of civilization which is changing the face of our country. As a public official, of course, I have a moral obligation to beckon to all to come on because the more tourists we can attract in the summertime, the more prosperity we can enjoy. But the hard truth of the matter is that really down inside, where it counts, we wish you'd all stay home and leave our fishing alone.

We have long since, now these last few weeks, discovered the real definition of capital punishment. Capital punishment can be defined as that necessity which calls for some of us to have to live in Washington in the summertime—and it is real capital punishment. You don't know what the contrast is until you make that overnight jump from the hot, steamy streets of Washington, where the humidity is always high, where the thermometer is in the nineties, out here to God's open spaces where the sky is blue and the space is unlimited and the air is fresh. We never come home to this without wondering why in the world we should go back. Yet there is something that draws us back, that electric something which I guess, infects many of us. It has nothing to do with the time spent; it has to do with the commitment to participate in decisionmaking. That, whatever else you may say about it, does make a difference, and I think it is that which buoys you up and keeps you going in the U.S. Senate.

When I was in the teaching business, as I was for 22 years until a year ago just about now, there existed in that profession a sense of rank and seniority. I remember when I was in the graduate school in Colorado and then at the University of Chicago really resenting a little bit the instructors on the staff because I thought they were snobs and looked down their noses at us poor graduate students trying to struggle along. I was determined then and there to get into the professoring business and see what it was like to look down upon the unfortunates below me. I got to be an instructor at Nebraska Wesleyan University and then discovered, only too late, that instructors didn't amount to anything because there were assistant professors, associate professors, and, finally, full professors who towered over them. After a dedicated career of suffering and sacrifice and by outliving some others, I rose through the ranks and got clear to the top as a full professor. I thought that we had it made then, only to discover that in the educational profession, in which many of us here are interested, there has not emerged a hierarchy over all that we call administration and administrators. That seemed so hopelessly frustrating to me that I thought it was time to get out of the business. I wanted some simple employment that would be a little easier going in which rank played a lesser part, and I applied for a job with the Senate of the United States. For reasons beyond my control and due to the rationale of the citizens of Wyoming, I got the job. Now, as a result, I have gotten into the worst kind of rank situation. I don't suppose there's any institution in the world which is so rank conscious or where seniority plays such a tremendous part in the thinking of the participants.

In the group of us who did descend on Washington last November, there were 18 new Senators, all of them with my political faith. We thought we were so numerous that we'd take the place by storm and that all these fetishes about seniority—who was the oldest and who represented what in what order down the line—would be destroyed by numbers, by mass impact. But we didn't reckon with the Senate of the United States and its traditions, and, upon

arrival there, we discovered our best intentions were stymied by the depth of the tradition and the inveterate dedication to seniority. The result was that they had a rule for every one of us. The Senate is sacred in its belief that no two Senators—I don't care which two Senators they are—can ever be absolute equals. There is a niche for each, 98 of them, and each takes his place beneath those who outrank him.

Well, it was then I learned the hard way that in order to break up this gang of 18 new freshmen, they were going to allot us our places, and they had a special place—a special precedence—for all former members of the House of Representatives. That involved 9 or 10 of our gang—quite a portion. And then they had a second order of precedence for anybody who had been a former Governor of his State. That took three or four more, but it still left four of us who stood shoulder to shoulder, exactly the same height, and that's when the resourcefulness of the Senate, naturally, came into play. They resurrected a couple of old precedents which had not been used since before the Civil War which dictated the separation of the remaining four who thought they were equal. They decided they could separate us according to the year in which our State had been admitted to the Union. Well, the passengers aboard the *Mayflower* didn't quite make it to Wyoming. Very little of the sea washed the shores of this wonderful State. In fact, we didn't come into the Union until 1890, and so we were way, way down that list. Even with this ruling, however, the final status of two of us was not resolved. Two States came into the Union in 1890 and that created a tie they couldn't break until they found another old beat-up rule which said that in such a case seniority would be determined by alphabetical order of States. Well, consult the list of States and you'll see that Wyoming is quite a ways down. In fact, there is no "whichever" than Wyoming in the alphabet. So, ladies and gentlemen, today you are looking at No. 98. One consolation about it is that it leaves us no direction to go but up and that's hopeful. And they assure me back there that the longer I'm around, the better I will think of seniority and that I will temper my views as the years pass.

It is genuinely refreshing to me, under all of these circumstances, to come here and talk to you. You have been having your seminars; you have had your old pros battling away at each other; you are going to have them some more. I don't know anything about surplus property problems except I am for you. I was told to say that so that you'd know I was dedicating my efforts in your behalf and, rest assured, if you tell me what those efforts are, I will. I happen to believe in the people who brought me out here. That's the only reason I'm here. And I firmly believe in the line that you're trying to hold—making available some of the surplus materials for schools and in the educational field. It would be dishonest for me not to say that very bluntly and forthrightly.

I want to talk to you today about an area quite far removed in one way from the professional concern which has collected you here this week and particularly this afternoon—a topic that's quite far removed from the minds of all too many Americans today. It is the parts of the world which we have for generations taken for granted and continually ignore. I am speaking of the so-called underdeveloped regions of the globe. They are not totally unrelated with the problem that you are, on the domestic front, concerned with here—surplus properties. If I

were to say to you that tomorrow, not the day after tomorrow, not the 21st century, but tomorrow, the whole vibrance of the world will be coming from the heartbeat of Asia and Africa; not from Washington; not from London; not from Paris or Rome, but from Asia and Africa, it would be sufficient to suggest the new focus which we are very slow to make a part of American thinking.

Take a cross section of the people of tomorrow, the people now that are between adolescence and middle age—that is 10 years older than I am, I always say—take a cross section of all the people of the world who lie between the ages of 12 or 13 and 50 and who make up tomorrow's world. They will be determining our future policies. Take such a cross section and it's made up something like this. On the basis of a sampling of 100 to reflect that cross section, 6 of them would be from the United States and Canada; another 5 or 6 of them would be from Latin America—our neighbors to the south; 7 or 8 of them would come from the Soviet Union—Russia; perhaps 9 from Africa; 15 or 16 of them would come from Western Europe and non-Russian Europe; and 56 of them—56, I repeat—would come from Asia. There is your world of tomorrow. Yet, in our own concept, we don't go much beyond the shores of the Atlantic, and might I say to you very frankly, as a former student of history, that the Atlantic age of history is already on the downgrade. And we pretend to be the leaders of the world. We are talking about a world that we are still fighting over—the world of World War II. That's what got us down in the 1930's when we were still trying to stay out of World War I, wasn't it? Now we are trying to correct some of the mistakes of World War II. All too few of us are asking about tomorrow and worrying about where we are going.

Now, I want to talk to you for the next few minutes about some aspects of the American concept toward the rest of the world which I think are fundamental if we are to create a sound American policy position that will lead not only to our survival but to our survival under circumstances that are amenable to the kind of life which we associate with a free society.

I will say to you then, first of all, that above all the other concepts Americans must learn to believe in and to understand is the fact that people are different. We have undergone a number of exercises in which it has been our apparent intention to make little Americans out of everybody around the world. As President Eisenhower once reminded us, we not only can't make little Americans out of the world, but it would be a bad idea even if we could. Because of the impact of World War II and, more important, because of some of the problems—if I may drag it in by the heels—caused by surplus property left over in some strange corners of the world after that conflict, we began to try to make little Americans out of everyone.

In reality, however, I am talking about people's thinking, about their cultural habits, about their standards of value, about the things they believe are important, the things which make a difference. Not everybody believes in skyscrapers, in jets, or in a bank account. People have different standards.

I always remember the story that James Michener of South Pacific fame still tells. It happened when he was in Seoul during the Korean war, at the time of the second siege of the city of Seoul when the Communists had moved down from the north very rapidly and threatened to trap not only the garrisons but the people of the city. In that emergency, the American commander called in the city officials and said: "We have very little evacuating material or means of evacuation available. We are

caught unready. There is only one barge and it will accommodate about 100 people. Pick the 100 most important people of the city of Seoul, get them on the barge, and we will get them out so that they can save the city when it comes time to rebuild. But pick your key people." The city government, the city officials of Seoul, quickly convened and made their decision, and they put on that barge for the evacuation the 100 members of the Seoul Symphony Orchestra. The American commander cursed a blue streak and called them "blankety-blank so and so illiterates."

But people are different. People have contrasting sets of values and we must understand that.

I once heard the then General Eisenhower describe a similar experience in Africa during the north African campaign. When it was about finished, and there was a light weekend ahead, General Eisenhower was flown into the interior of Africa to view a special housing project that one American group had promoted. It was in a tribal area where the tribes had formerly been living in grass huts. General Eisenhower found there in a beautiful clearing in a corner of the Belgian Congo, neat rows of little, white Cape Cod cottages that the American benefactors had set up for them, and which had all of the plumbing conveniences that you could desire.

There was only one thing missing—people. The houses were all empty. The general asked the chief escorting him around. "Where are the people?" The chief, a little bit embarrassed said, "Well, General, I think I can show them to you." He then escorted him some distance down to the bank of the nearby river, and there were the people. They were building grass huts and the babble of their talk made quite a din. The chief said, "You know, General, they very much appreciated those wonderful, wonderful houses, but they just didn't think they could live in them, because with all of the conveniences—running water and the like—my people felt that it would deprive them of their one reason for living, the one joy they had every day, and that is the daily trip down to the bank of the river to get water to wash their clothes and to commune with their neighbors."

Well, people are different: They are different in as many ways as there are people. That's why we have sometimes gotten into trouble in America. We haven't been willing to allow for those differences.

At the University of Wyoming, while I was teaching there, we had a great many students from Afghanistan. We had these students from Afghanistan because we had opened a sort of branch of the University of Wyoming over in Afghanistan. We had an exchange program. We kept this program very much alive because Afghanistan was a high-altitude country with agricultural and soil problems similar to our own. I had many of these Afghan boys in class and would talk to them at every opportunity about their experiences here. They had a wonderful time in Wyoming.

One of them told me he spent a weekend over near Torrington—which is as far as you can go from here and still be in Wyoming. He had been riding a cornpicker all afternoon. He said it was an exciting thing and he would like to have one to play with. But he said, "You know, Professor, it is no good to me back in Afghanistan. I have wasted my time. In many parts of my country, people are still planting seeds with pointed sticks."

We fail to allow for the fact that some of the world's peoples don't care to use anything else but a pointed stick.

When Loraine and I were in Moscow—and it's nearly 3 years ago now—we got trapped one afternoon in a rainstorm. I should say I got trapped. The women didn't. They

were out looking for bargains which they never found. But I stayed in the hotel. I sat in the lobby of the Leningradskaya Hotel until the rain stopped. In that 3 hours, I witnessed the arrival in Moscow of whole delegations from a dozen Asian countries which had been flown there at the expense of the Russians. One of the delegations was from Communist China, and I struck up a conversation with them. I did so because the Chinese speak English very fluently although they can't understand Chinese. This is literally true because there are over a thousand dialects. They speak the English language better than I do. We got along very well in understanding what we were saying to each other. I said to the Chinese, "I suppose you are excited about Moscow." They said, "Very much excited. It's an exciting city." I tried to imagine, in my own mind, why Moscow was exciting to the Chinese because by our standards it is a dreary city, a sort of sprawling slum with the exception of a few showplaces which they display to tourists and the party faithful from Siberia. With those exceptions, Moscow is a very, very dull city. But these Chinese were excited. Then I thought I could understand why they were because, compared to some of the hills of China, this would indeed be a refreshing and new place to them, and I made allowance for that.

So I said to the Chinese, "Gentlemen, you know, I think I can understand why you find Moscow as exciting as you do, but I wish you'd visit my country some day. We have some exciting things, too, which might open your eyes." He said, "I have been to your country. I have visited it four times. I have been in New York, Washington, Chicago, Detroit, New Orleans, San Francisco, and Seattle." Then I did scratch my head. I said, "You have been to all those places and you tell me you find Moscow exciting. Why?" He said, "You know, we in China think you have gone so far and reached so high, and achieved such marvels that we don't even dare dream about them, we are so far behind you. It has no meaning for our people; they couldn't understand it. But here in Moscow we know where these people were 40 years ago. They were just like us and we can see with our own eyes where they have come in less than a generation. And if the Russians can do it," he said, "China can do it. That's why we admire Moscow."

That's something for every American to ponder. There are different ways of reaching people and you can overshoot your target; you can aim too high by trying to make little Americans out of everybody. That's the basic, fundamental concept that all of us have to acquire, have to understand, have to believe. We have to make allowance for the differences of people and do it in ways that they can understand through their insight instead of ours.

The second thing that I would leave with you is the suggestion that we have some surplus property, so to speak, that's surplus property only because we are not using it, surplus property that is begging to be used in meeting this precise problem which I have posed for you here today. That surplus property is of two forms: It is a surplus of ideas and a surplus of truth—ideas and truth. It is strange that we could speak of having a surplus of either one. We happen to have a surplus only because nobody's interested in either one. The people are not demanding either ideas or truth. They don't care. Thus, these commodities exist in bountiful quantities at the present time.

Some few years ago, I was with a private group in New York directing a little study on Soviet intentions. In the course of those long deliberations, we were entertaining, for the purpose of picking her brains, a lady from Asia. I will never forget the very plush banquet which was thrown in her honor. We

invited her to the banquet along with 50 very affluent, industrial, and banking leaders of America. They were grouped around the lone lady, and I was included in the group only because I was directing the study.

The chairman for that meeting said: "Madam, before we get underway, I thought you might be interested in knowing something about the men who are here doing you honor tonight." He said, "These 50 men, I suspect, between them and among them, in their own personal wealth, have something in excess of \$10 billion." Well I remember the warm glow coming over my face. Fifty divided into \$10 billion meant that we were worth \$250 million apiece. I never had it so good.

I will never forget her reply. She said, "Mr. Chairman, you know I do appreciate these very, very wealthy men taking time out from their accumulation of great wealth to dine with me tonight. But I hope you won't be offended if I suggest to you that this isn't a new experience for me, that this isn't the first time I have dined with men of great wealth. Just before I left my country on this trip, I had breakfast with eight maharajas whose total wealth was probably that of these men. But you know in India," she said, "we don't brag about that." (Leave it to a woman to put a man in his place.) She went on in a very, very rich way and she said, "May I say to you very fine Americans something that's very blunt but which I hope you will appreciate?" She said, "Let me tell you why the people of the world respect you, why they look to you for leadership, why they revere your history." She said, "It is not because of your skyscrapers; it is not because of your bank accounts; it is not because of your automobiles." She said, "We admire America because of your ideas. We admire America because you stand for truth wherever it may lead. And, gentlemen," she said, "why don't you put your great strength to work as you seek to lead the world?"

Ideas and truth—and I have never forgotten that memorable little occasion. The history of our own time bears out the validity of her observation. Look at our ideas. We have forgotten them long since. The ideas of free government, of the dignity of the individual, of the respectability of ordinary society, of the equality of all peoples, these are the magical, electric ideas that fire men even in this nuclear age.

When the troops moved into what is now Jakarta, Indonesia, but which was called the Dutch East Indies at the time, at the end of the war the Japanese had seized the area and they put up a very fanatical resistance. They destroyed most of the material assets of the region. But the troops which had entered Jakarta reported finding on the bombed-out walls of that ruined city inscriptions scrawled there by these resisting natives who were driving the Japs back out—inscriptions of little quotations from Ben Franklin, from Thomas Payne's "Common Sense," from Abraham Lincoln's second inaugural address, and from Thomas Jefferson's first. Most Americans don't remember these inspiring words.

These are the ideas of America and they have been carried into even the most backward areas. These areas are backward, my friends, only in the American materialistic sense, and that's the basis upon which we have been judging them.

I talked to a diplomat from Ceylon once. He said, "You know the thing that put my country so strongly on the path toward freedom was that we copied your Constitution. It was our inspiration." I heard Nehru say that what kept India from going to pieces, what prevented her from passing through the radicalism that sweeps through any new area during periods of political experimentation was the examples afforded by the American and British systems. Ideas.

The Indian Constitution begins how? "We, the people of the United India, in order to form a more perfect union * * *." Word for word. There's the American inspiration; the American idea.

My friends, 1778 is the most electrically inspiring date in human history and everyone knows it except Americans. We have forgotten its significance. The rest of the world knows about it, but we are failing to use the dynamic influence it still exerts. It is one of our surplus commodities. It is stored in the attic collecting cobwebs with the other relics of our Nation's history.

Ideas, and ideas that we invented, not Karl Marx—that we invented, not Mr. Lenin or Mr. Stalin or Mr. Khrushchev. This is what is inspiring the people of Latin America and Africa and Asia. We did it. Yet, with the rest of the world trying to follow us, what do we do? We look down our noses as if there were some foul smell at the other end that offended us. We want nothing to do with it because it might be radical. These people, my friends, would be on the paths of change, they would be in the throes of revolution, if there had never been a Communist on God's earth because all they are craving is human dignity; the integrity of the individual; national independence and national pride. And what else is there in the Declaration of Independence? We don't have to go out and plant revolutionary fires, but we can certainly recognize them for what they are and understand them instead of trying to hold up our hands as though we could stop this floodtide that's sweeping the world. If it be our decision to stop it, to dam it up, to hold it back, what happened to us in China is going to happen to us all around the globe. It will simply pour over us. We will be inundated and we will literally drown in our own ideas because we were too stupid to use them.

But with that surplus of ideas, we have also a surplus of truth. What I am trying to say to you is this, that the search for truth must be eternal. It is the guideline of any historian and it must be the constant goal of every citizen. It sometimes will lead you into unpleasant paths; it sometimes requires unpopular conclusions. But, ladies and gentlemen, our Republic has been founded on the willingness to risk the truth. It is the Communist who doesn't dare to face the truth. That's why they have censorship; that's why they have the Iron Curtain; that's why they use brutality to impose falsehood. But we are afraid of truth. Oh? We are afraid of it. Go to the Rotary Club some noon, or to the Lions Club, the chamber of commerce, the women's club—you pick it—and you will discover that they go along talking to each other week after week, saying the things that they like to hear from each other because if they say something different it rocks the boat. It is easier to conform and we are demanding conformity because it is easier to control. I don't mind saying that, as a Senator, I wish all the constituents of Wyoming would conform to one man's ideas—McGEE's. It would be a lot easier. There isn't an administrator here or one who was ever an administrator who would not encourage conformity among those beneath him because it would mean an end to his problems. We are afraid of truth.

The truth is unpleasant and uncomfortable and inconvenient. And we have reached the point in this country where we are encouraging half-truth or untruth in government in order to be comfortable, to have time to play golf, or better still, to fish. We have so surrendered our eternal quest for truth that those who merely raise the ugly questions in pursuit of truths are belabored and smeared and twisted and tortured by the public mind and by public pressure because they aren't willing to say what people like to hear or they aren't willing to surrender by leaving well enough alone.

Now this is not what made Americans strong in the past and yet it is this pressure to which we are forfeiting our heritage now.

We have just passed through an extremely painful ordeal in the Senate involving one of the strangest and most difficult personalities, I suppose, in this century—Mr. Strauss—a difficult and strange personality because when he was good there was never a man in all history who was so good. But when he was bad there were some extremely serious complications. He is a man who has perfected a technique that he didn't invent. Democrats and Republicans, long before him, hammered out the perfections of the gobbledygook of words, words without meaning, words of evasion, honeyed words, big words, little three-letter words. These words were aimed at covering up, at hiding, at concealing unpleasantness or mistakes in human judgment; and the mushrooming of the bureaucracy in Washington has aided and abetted this whole practice. Mr. Strauss was not the inventor of this at all. He may have been its victim. Some of us felt very deeply that in the search for truths the time for a reckoning had long since passed. When this man, in a very tortuous process, was stripped of almost a million words; when he stood naked before his committee, he was revealed as a liar.

My friends, these are people living in fear. You live in fear of dictatorship. That's what was wrong with Hitler and Nazism; that's what's wrong with the Communists in Moscow. Yet, under the guise of leaving well enough alone and not disturbing placid waters, we were surrendering to the very dictatorship we feared.

I was personally tortured that my President was very much embittered about the ugliness of this decision because the President's wishes rank very high in my scale of values. But there's one thing that ranks higher than his wishes in my book, and that one thing is the right of the people in a democracy to know, the right to go behind the veil of the so-called executive privilege and secrecy, to strip away from the mistakes that humans are entitled to always make in a democracy the veil of nondisclosure or the camouflage of words. And I say this in the context of my opening remarks for this reason. The one appeal that we have to the rest of the world lies in our willingness to pursue truth, wherever it might lead; and in a record which has stood the test of truth and which can in the future stand repeated reexamination in the light of truth.

I don't know whether or not you have read the little volume "The Ugly American"; but if you do, you will find we are in trouble because people, for whatever reasons, chose to distort the truth, to perpetuate a false front, to assume a mistaken level of power and prestige.

We are all right if we'll trust in the truth, if we will abide by its revelations, if we will conduct ourselves within the limits of its disclosures. This is not alone a problem for Americans overseas or a problem of trying to get foreigners to understand us. It comes right down to the hearts of our understanding of ourselves; what we believe and why we believe it.

If we would only utilize these two surpluses, we would readily discover that they are not surpluses at all, but that they are in short supply. We would discover we haven't enough of either. But if we use what we have, we can hold out to the rest of the world the kind of appeal, the kind of human inspiration that alone should guide the history of man. It is our strength, more so than our scientists, our military might, or our satellites in outer space.

Asia and Africa and other areas are on the move, and they are in the throes of deep change. Let's face it. Let's not only learn

to live with it; let's seek to guide it constructively.

I have often thought in this context of the old legend of Rip Van Winkle. You know old Rip got a bit in his cups and fell asleep in 1769; he slept for 20 years. What happened in that 20 years? When old Rip fell asleep, George III was his King. When he awakened 20 years later, George Washington was his President. Old Rip Van Winkle had slept through a revolution. God help us, my friends, if we sleep through this one.

President Eisenhower to the People of the Soviet Union

EXTENSION OF REMARKS OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the splendid message sent by President Eisenhower to the Russian people transmitted by Vice President Nixon.

MESSAGE OF THE PRESIDENT OF THE UNITED STATES, DWIGHT D. EISENHOWER, ON THE OCCASION OF THE OPENING OF THE AMERICAN NATIONAL EXHIBITION IN MOSCOW SOKOLNIKI PARK, JULY 24, 1959

Because of my inability to be present at the opening of the American exhibition in the Soviet capital city, I have requested the Vice President of the United States to convey to you and to the Soviet people my personal greetings. I consider this exhibition at Sokolniki a symbol of the United States itself, and in this spirit, I wish to welcome you to visit it as guests of the people of the United States. In the same spirit, I also wish on all occasions to seek the friendship of the people of the Soviet Union. Indeed, I would be most happy if many of you could eventually come to our land and see the reality behind the pictures and displays of this exhibition.

I would like, moreover, to go beyond these words of official greeting and add some personal sentiments. The fact that the Soviet and American peoples were comrades in arms during the great war concluded 14 years ago remains fresh in my memory. At that time, as the Commander of the Western Allied Expeditionary Force, I was afforded the opportunity to meet with your valiant soldiers and to learn firsthand of their bravery. At the end of that war, in August of 1945, I had the privilege of visiting the Soviet Union itself. On that visit I was struck by the devotion and dedication of the people of the Soviet Union to the defense of Mother Russia. The exploits and courage of the Soviet people in that defense are matters of record for all to see.

Nothing that has happened during the interval has dimmed my admiration for the great people of the Soviet Union. Indeed, I have been further impressed by the strides taken by you in science and industry. Last month I greatly enjoyed my visit to the Soviet exhibition in New York and was impressed by the vigor and the progress which was evidenced everywhere. I returned to Washington with a better understanding of the achievements of the Soviet people and the proud traditions of their land. Let me assure you that I speak for all Americans when I say that we desire nothing but friendship with this dynamic people.

But we must acknowledge that differences in governmental policies have created rifts in our wartime alliance. This fact has sad-

dened me greatly, particularly because it is so unnecessary. Our nations have such a great common interest in world peace that every effort must be made to bring us closer together. I therefore hope that this exchange of exhibitions will be a first step toward a restoration of the trust and unity that we felt during the recent World War.

I wish that I could have been here to open this exhibition in person. It has long been my hope to return to the Soviet Union to see, not only my wartime friends, but also the great progress you have made in rebuilding your ruined cities and factories. Perhaps the time may come when this desire will be realized.

Until that time, my concluding greeting is this: It is never too late to build a peace with honor and justice. May this exchange of greetings contribute to success in that effort.

Special Pay for Extra Skill

EXTENSION OF REMARKS OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. PELLY. Mr. Speaker, I am today introducing a bill to provide additional compensation for employees in the postal field service who are required to qualify on scheme examinations.

The purpose of the proposed legislation is to provide remuneration to those loyal and dedicated postal employees who have for years been required to spend their own time learning complex schemes or systems for the distribution of mail.

These schemes change frequently, and postal clerical employees, members of the National Federation of Post Office Clerks, for example, are forced to engage in a constant effort to keep current with changes necessitated by a growing city and consequent expanded delivery service or by changing train or plane schedules.

Every time there is a change in an arrival or departure time for a train or plane, post office schemes are changed to reflect the new schedules. To give some idea of just how difficult it is to learn a post office scheme, I suggest anyone try to memorize any 10 pages of the Washington, D.C. telephone directory. That will embrace some 4,000 items, an approximation of an average postal scheme. Add to this the daily and weekly changes that occur then you have a vague idea of what a post office clerk has to remember for a single scheme period. Many clerks have to know two, three, and even four such schemes.

I believe these schemes are necessary to the prompt and efficient dispatch of mail, but I do not believe we have any right or justification to demand these loyal employees devote their own time to learning such schemes without compensation.

For that reason, I am introducing legislation which I feel will at least provide a token recognition on the problem and furnish a small recompense for the effort

and time necessarily devoted by these loyal and faithful employees.

I hope the Committee on Post Office and Civil Service will move promptly to the consideration of this very important legislation.

Cultural Exchange Program

EXTENSION OF REMARKS OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mrs. KEE. Mr. Speaker, the U.S. and Soviet academies of science have announced agreement on an extensive exchange of scientists between the two nations.

This is the latest development in the cultural exchange program between the world's two mightiest nations. Personally, I hope that this approach will do much to lead to a better understanding with the Russians.

The Russians are extremely difficult people to negotiate with. Certainly the developments at Geneva bring this point home. And it points up once more just how little the Russians really understand the people in the United States.

Mr. Speaker, all of us know that one of the great dangers facing the world today is that the Russians, because of this ignorance, will seriously miscalculate and touch off another war. Anything that will lead to a better understanding is certainly a step in the right direction.

Under this new agreement, Mr. Speaker, scientists of the two countries will deliver lectures, carry out research and observe scientific progress. The leading scientists of the two nations will learn to know each other and understand each other better. I am sure that the Russians will be impressed by the peaceful intent of the U.S. scientists.

It is appalling to think that very few of the Russian leaders have ever been outside the Iron Curtain. How can we expect them to understand the West as long as they live in such complete isolation?

Under the cultural exchange program, it is hoped to bring citizens of the two nations together. Last weekend, for example, United States and Russian track teams engaged in a dual meet in Philadelphia. These Russian athletes are bound to have a better appreciation and understanding of this country after they return home. We have sent artists of all kinds to Russia. We plan to send businessmen and representatives of other groups to tour Russia. In return, people from that country will visit the United States.

Vice President Nixon is now in Russia. He will have an opportunity to visit many parts of the country and talk with top officials.

The Russians are a suspicious people, particularly on an official level. But surely the Russian people, just like people everywhere, detest war. I am sure they want to live in peace just as we do.

Because of tight censorship and government control of the daily lives of the people of Russia, it is difficult to reach the people. But every contact we can make will be helpful. For example, the Harlem Globetrotters, a very fine basketball team, recently visited Russia for a series of exhibits with Russian teams. About 350,000 Russians saw three games in Leningrad.

Exchanges on these unofficial levels are good things. People with common interests can help bridge the vast gulf separating the two nations much easier than can diplomats.

We have no aggressive intentions in the world. If the Russians could be made to understand this, perhaps much of the tension between the two countries could be wiped out. It is certainly worth the effort to bring this home to Russians on every level whenever we have the chance.

Dedication of the National FFA Building

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. CARLSON. Mr. President, last Friday a very impressive ceremony was held near Mount Vernon on a tract of land that was formerly owned by George Washington, at which time the National Future Farmers of America Building was dedicated.

The Future Farmers of America is an organization composed of 381,621 members in every State in the Union, Hawaii, and Puerto Rico and is a part of the vocational education program under the Department of Health, Education, and Welfare.

The national officers of this organization are Adin Hester, Oregon, president; Bryan Hafen, Nevada; Thomas E. Stine, Missouri; Lee Todd, Tennessee; Richard Van Auker, New Jersey, vice presidents; and Norman A. Brown, Michigan, student secretary.

The chairman of the board is Dr. W. T. Spanton, Director of the Agricultural Education Branch of the Office of Education. Dr. Spanton's many years of dedicated service to this organization has built it to one of the leading youth organizations of the Nation.

I ask unanimous consent that the program and the dedicatory speech I delivered be printed in the CONGRESSIONAL RECORD.

There being no objection, the program and address were ordered to be printed in the RECORD, as follows:

PROGRAM AT DEDICATION OF THE FUTURE FARMERS OF AMERICA BUILDING

Music: U.S. Air Force Headquarters Band, Harold Hoyt, captain, USAF, Director.

Flag-raising ceremony: Norman Brown, national student secretary.

National anthem: U.S. Air Force Headquarters Band.

Invocation: Richard Van Auker, national vice president.

Opening remarks: Adin Hester, national president.

Introduction of guests.

Greetings from new farmers of America: Martin Luther Goodson, national president.

Historical background: W. T. Spanton, Director, Agricultural Education Branch, Office of Education, Washington, D.C.

Greetings: Arthur S. Flemming, Secretary, Department of Health, Education, and Welfare, Washington, D.C.

Gathering and spreading of State soil: Tom Stine, national FFA vice president.

Acceptance of State stones: Bryan Hafen, national FFA vice president.

Dedication address: The Honorable FRANK CARLSON, U.S. Senator from Kansas.

Acceptance of FFA Building: Lee Todd, national FFA vice president.

FFA march: U.S. Air Force Headquarters Band.

ADDRESS BY SENATOR FRANK CARLSON AT DEDICATION OF FUTURE FARMERS OF AMERICA HEADQUARTERS, WASHINGTON, D.C., FRIDAY, JULY 24, 1959.

I regard it a distinct honor to be invited to participate in a program dedicating—or setting apart for service—this new headquarters building for the Future Farmers of America supply service and national magazine.

This building will stand as a serviceable monument to the Future Farmers of today who will be the successful farmers of tomorrow.

It is most fitting that this modern structure be located near Mount Vernon, the home of George Washington, and on land formerly owned by him. He was considered first as a great general—our first President—an engineer—but George Washington's first love was the farm he called Mount Vernon. He was one of the first in the Nation to practice contour planting, crop rotation, and other soil conservation methods. It has been stated he might be truly considered as America's first "scientific farmer."

It is also my understanding that he is one of the patron saints of the Future Farmers of America and that his name has a prominent place in the opening ceremonies of the FFA.

Vocational agriculture and the Future Farmers of America constitute a most successful program for training boys to be good farmers and helping them become established in the farming occupation of their choice.

In view of the Nation's need for new farmers it is most fitting that we set apart a new modern building for their headquarters.

It was our third President, Thomas Jefferson, who said, "Those who labor in the earth are the chosen people of God."

It was Gifford Pinchot, the great conservationist, who said, "As the farmer prospers, so prospers the Nation."

Leaders in the field of agriculture, both men and women, are receiving further well-deserved recognition in the establishment of the Agricultural Hall of Fame.

I am delighted that this agricultural shrine is to be located in my home State of Kansas—just a few miles from Kansas City where thousands of FFA members will have the opportunity to see it each year at the time of their national convention.

Agriculture today is undergoing a drastic change. Capital investment on farms and the cost of production items are at record levels.

Agriculture as a whole is confronted with some very different problems that must be resolved and I know of no one better qualified to tackle these problems than our young farmers who will soon be dominant in agriculture. Your background, your training, give you the qualifications that are going

to be needed as we go through this difficult period.

I am not here to paint a dark picture of our situation. As a matter of fact, I am an optimist and I have great faith in the future. I have great hopes for the members of your organization.

I am here to talk about opportunity—about change—about ideals and about making peace in a world that sorely needs it. I want to say to you that I cannot think of a more exciting time to be alive.

Certainly the challenge is more difficult today than it has ever been before in history. But never before in history do we stand to win so much, and when I use the word "we," I am not thinking of Americans alone—I am thinking of the human race.

No previous generation in human history has had finer or more abundant means at its disposal for making this planet serve the ends of man.

For the first time in human history, we have as much potential power as we need to irrigate dry lands—operate the machines that man needs to carry on his work and give man shelter. There seems to be no limit to the new and fascinating discoveries being made in the field of agriculture.

For the first time in human history, we can tap the basic energy of the sun. We can derive new minerals from the oceans. Nuclear energy, properly used, can even help to control weather.

We are on the verge of discovering the answers to the incurable diseases that have blighted the life of man on earth.

I believe we have it within our means to extend the average life of a human being to more than a century—not in some distant age, but within your lifetime.

But one thing is clear, we are not going to get this better world by just wishing it into being. We are going to have to work for it the hard way.

Now, I don't have to be reminded of all the obstacles. I don't have to be reminded that we have to make this planet a lot safer for human life than it is now before we can talk about making it more attractive.

Indeed, it is precisely because I am aware of the problems that I say to you that the only thing that is greater than the difficulty is the opportunity.

It is true that the human race has been able to invent war, but has yet to invent peace. This has been true in the past, but it need not be true today or tomorrow. It is within the means and the power of our own generation—and I am thinking mainly of the young people of this country—to do what has never been done before—to find a way to outlaw war and establish peace on the basis of justice in the world.

Is this impossible? The fact that it has not been done before doesn't mean that it is beyond our reach.

They have said for centuries that man is a warring animal and that he will keep at it until he devises the means to exterminate himself.

But I believe in our time we will succeed in doing the seemingly impossible. I believe it is within our power to make the greatest contribution to human progress and safety in history by creating the design of a workable world peace.

This, I believe, is the big opportunity for youth in an atomic age to help create such a design and to put an end to the era of human slaughter on earth.

We want a peace that guarantees the independence and integrity of all nations large and small, a peace in which progress and freedom are possible, a peace which doesn't mean human decay or dry rot, but the growth and betterment of individual human beings throughout the world.

This is the kind of peace we want. This is the kind of peace, God willing, we are going to get.

This kind of peace is not going to be handed on a silver platter to the American people, or to anyone else.

You and I, particularly the young people of this Nation, must dedicate ourselves to working and praying for a program of peace. No greater challenge—no greater opportunity—was ever presented to our youth.

As we build a better world, a better Nation, we must also build a better man, based on the lines of the great poet, Edwin Markham, who wrote:

"We are all blind, until we see

That in the human plan

Nothing is worth the making if

It does not make the man.

Why build the cities glorious

If man unbuilds goes?

In vain we build the work, unless

The builder also grows."

I dedicate this building in behalf of the Future Farmers of America and their successors, and pray that they, too, will grow and build a better farm economy, which is so important to the future of our Nation.

Vice President Nixon's Speech at Opening of American Exhibition in Moscow

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech given by Vice President Nixon at the opening of the American national exhibition in Moscow July 24, 1959. Surely this is one of the finest expositions anyone has ever given anywhere of the true heart and soul and mind of our beloved America. What a pity that the Soviet rulers refused to let it be broadcast in Russian to their people. Our gratitude and commendation go to the Vice President for a splendid job well done.

REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES, RICHARD NIXON, ON THE OCCASION OF THE OPENING OF THE AMERICAN NATIONAL EXHIBITION IN MOSCOW, SO-KOLNIKI PARK, JULY 24, 1959

I am honored on behalf of President Eisenhower to open this American exhibition in Moscow.

Mrs. Nixon and I were among the many thousands of Americans who were privileged to visit the splendid Soviet exhibition in New York, and we want to take this opportunity to congratulate the people of the U.S.S.R. for the great achievements and progress so magnificently portrayed by your exhibition.

We, in turn, hope that many thousands of Soviet citizens will take advantage of this opportunity to learn about life in the United States by visiting our exhibition.

Of course, we both realize that no exhibition can portray a complete picture of all aspects of life in great nations like the U.S.S.R. and the United States.

Among the questions which some might raise with regard to our exhibition are these: To what extent does this exhibition accurately present life in the United States as it really is? Can only the wealthy people afford the things exhibited here? What about the inequality, the injustice, the other weaknesses which are supposed to be inevitable in a capitalist society?

As Mr. Khrushchev often says: "You can't leave a word out of a song." Consequently, in the limited time I have, I would like to try to answer some of these questions so that you may get an accurate picture of what America is really like.

Let us start with some of the things in this exhibit. You will see a house, a car, a television set—each the newest and most modern of its type we can produce. But can only the rich in the United States afford such things? If this were the case we would have to include in our definition of rich the millions of America's wage earners.

Let us take, for example, our 16 million factory workers. The average weekly wage of a factory worker in America is \$90.54. With this income he can buy and afford to own a house, a television set, and a car in the price range of those you will see in this exhibit. What is more, the great majority of American wage earners have done exactly that.

Putting it another way, there are 44 million families in the United States. Twenty-five million of these families live in houses or apartments that have as much or more floor space than the one you see in this exhibit. Thirty-one million families own their own homes and the land on which they are built. America's 44 million families own a total of 56 million cars, 50 million television sets and 143 million radio sets. And they buy an average of 9 dresses and suits and 14 pairs of shoes per family per year.

Why do I cite these figures? Not because they indicate that the American people have more automobiles, TV sets, or houses than the people of the U.S.S.R.

In fairness we must recognize that our country industrialized sooner than the Soviet Union. And Americans are happy to note that Mr. Khrushchev has set a goal for the Soviet economy of catching up in the production of consumer goods.

We welcome this kind of competition because when we engage in it, no one loses—everyone wins as the living standards of people throughout the world are raised to higher levels. It also should be pointed out that while we may be ahead of you as far as these items are concerned, you are ahead of use in other fields—for example, in the size of the rockets you have developed for the exploration of outer space.

But what these statistics do dramatically demonstrate is this: That the United States, the world's largest capitalist country, has from the standpoint of distribution of wealth come closest to the ideal of prosperity for all in a classless society.

As our revered Abraham Lincoln said "We do not propose any war upon capital; we do wish to allow the humblest man an equal chance to get rich with everybody else."

The 67 million American wage earners are not the downtrodden masses depicted by the critics of capitalism in the latter part of the 19th and early part of the 20th centuries. They hold their heads high as they proudly enjoy the highest standard of living of any people in the world's history.

The caricature of capitalism as a predatory, monopolist dominated society, is as hopelessly out of date, as far as the United States is concerned, as a wooden plow.

This does not mean that we have solved all of our problems. Many of you have heard about the problem of unemployment in the United States. What is not so well known is that the average period that these unemployed were out of work even during our recent recession was less than three months. And during that period the unemployed had an average income from unemployment insurance funds of \$131.49 per month. The day has passed in the United States when the unemployed were left to shift for themselves.

The same can be said for the aged, the sick, and others who are unable to earn enough to provide an adequate standard of

living. An expanded program of Social Security combined with other government and private programs provides aid and assistance for those who are unable to care for themselves. For example, the average retired couple on social security in the United States receives an income of \$116 per month apart from the additional amounts they receive from private pensions and savings accounts.

What about the strikes which take place in our economy, the latest example of which is the steel strike which is going on? The answer is that here we have a firsthand example of how a free economy works. The workers right to join with other workers in a union and to bargain collectively with management is recognized and protected by law. No man or woman in the United States can be forced to work for wages he considers to be inadequate or under conditions he believes are unsatisfactory.

Another problem which causes us concern is that of racial discrimination in our country. We are making great progress in solving this problem but we shall never be satisfied until we make the American ideal of equality of opportunity a reality for every citizen regardless of his race, creed, or color.

We have other problems in our society but we are confident that for us our system of government provides the best means for solving them. But the primary reason we believe this is not because we have an economy which builds more than 1 million houses, produces 6 million cars and 6 million television sets per year.

Material progress is important but the very heart of the American ideal is that "man does not live by bread alone." To us, progress without freedom, to use a common expression, is like "potatoes without fat."

Let me give you some examples of what freedom means to us.

President Eisenhower is one of the most popular men ever to hold that high office in our country. Yet never an hour or a day goes by in which criticism of him and his policies cannot be read in our newspapers, heard on our radio and television, or in the Halls of Congress.

And he would not have it any other way. The fact that our people can and do say anything they want about a Government official, the fact that in our elections, as this voting machine in our exhibit illustrates, every voter has a free choice between those who hold public office and those who oppose them makes ours a true people's Government.

We trust the people. We constantly submit big decisions to the people. Our history convinces us that over the years the people have been right much more often than they have been wrong.

As an indication of the extent of this freedom and of our faith in our own system, 40 hours of radio broadcasts from the Soviet Union can be heard without jamming in the United States each day, and over a million and a half copies of Soviet publications are purchased in our country each year.

Let us turn now to freedom of religion. Under our Constitution no church or religion can be supported by the state. An American can either worship in the church of his choice or choose to go to no church at all if he wishes. Acting with this complete freedom of choice, 103 million of our citizens are members of 308,000 American churches.

We also cherish the freedom to travel, both within our country and outside the United States. Within our country we live and travel where we please without travel permits, internal passports, or police registration. We also travel freely abroad. For example, 11 million Americans will travel to other countries during this year, including 10,000 to the Soviet Union. We look forward to the day when millions of Soviet

citizens will travel to ours and other countries in this way.

Time will not permit me to tell you of all the features of American life, but in summary I think these conclusions can objectively be stated.

The great majority of Americans like our system of government. Much as we like it, however, we would not impose it on anyone else. We believe that people everywhere should have a right to choose the form of government they want.

There is another characteristic of the American people which I know impresses itself on any visitor to our country. As Mr. Mikoyan and Mr. Kozlov both pointed out after their visits to the United States, the American people are a peace-loving people. There are a number of reasons for this attitude: As this exhibition so eloquently demonstrates, we Americans enjoy an extraordinarily high standard of living.

There is nothing we want from any other people except the right to live in peace and friendship with them.

After fighting two world wars we did not ask for or receive an acre of land from any other people. We have no desire to impose our rule on other lands today.

Our hearts go out to Mr. Khrushchev who lost a son, to Mr. Kozlov who lost two brothers, and to the millions of other Soviet mothers and fathers, brothers and sisters, sons and daughters who mourn for their loved ones lost in defending their homeland.

But while it is generally recognized that the American people want peace, I realize that it has sometimes been charged that our Government does not share the attitude of our people. Nothing could be further from the truth.

For 7 years I have sat in the high councils of our Government and I can tell you that the primary aim of our discussions has been to find ways that we could use our strength in behalf of peace throughout the world.

Let me tell you of the background of some of those who participate in our policy discussions. The Secretary of State lost his brother in World War I. I saw boys as close to me as brothers die on barren islands 4,000 miles from home in World War II. No man in the world today has more knowledge of war and is more dedicated to peace than President Eisenhower.

Those who claim that the policies of the American Government do not represent and are not supported by the American people are engaging in a completely inaccurate and dangerous form of self-deception. Any administration which follows policies which do not reflect the views of our people on major issues runs the risk of defeat at the next election. When our elected officials cease to represent the people, the people have the power to replace them with others who do. The reason the leaders of both our major political parties are united in supporting President Eisenhower's foreign policy is that they are reflecting the views of a people who are united behind these policies.

The Government and people of the United States are as one in their devotion to the cause of peace.

But dedication to peace, good will, and human brotherhood should never be mistaken for weakness, softness, and fear.

Much as we want peace we will fight to defend our country and our way of life just as you have fought so courageously to defend your homeland throughout your history.

The peace we want and the peace the world needs is not the peace of surrender but the peace of justice, not peace by ultimatum but peace by negotiation.

The leaders of our two great nations have such tremendous responsibilities if peace is to be maintained in our time.

We cannot and should not gloss over the fact that we have some great and basic dif-

ferences between us. What we must constantly strive to do is to see that those differences are discussed and settled at the conference table and not on the battlefield.

And until such settlements are agreed to, our leaders must exercise the greatest restraint, patience, and understanding in their actions and their statements. They must do nothing which might provoke a war no one wants.

The fact that one of us may have a bigger bomb, a faster plane, or a more powerful rocket than the other at any particular time no longer adds up to an advantage. Because we have reached the point in world history where the Biblical injunction "they that take the sword shall perish with the sword" is literally true today.

The nation which starts a war today will destroy itself. Completely apart from any retaliatory action which might be taken by a nation which is attacked, the deadly dust from radioactive bombs used in an attack will be carried by the winds back to the homeland of the aggressor.

With both of our great nations holding this terrible power in our hands neither must ever put the other in a position where he has no choice but to fight or surrender. No nation in the world today is strong enough to issue an ultimatum to another without running the risk of self-destruction.

The Soviet exhibition in New York and the American exhibition which we open tonight are dramatic examples of what a great future lies in store for all of us if we can devote the tremendous energies of our peoples and the resources of our countries to the ways of peace rather than the ways of war.

The last half of the 20th century can be the darkest or the brightest page in the history of civilization. The decision is in our hands to make. The genius of the men who produced the magnificent achievements represented by these two exhibitions can be directed either to the destruction of civilization or to the creation of the best life that men have ever enjoyed on this earth.

As I have said on previous occasions, let us expand the idea of peaceful competition which Mr. Khrushchev has often enunciated. Let us extend this competition to include the spiritual as well as the material aspects of our civilization. Let us compete not in how to take lives but in how to save them. Let us work for victory not in war but for the victory of plenty over poverty, of health over disease, of understanding over ignorance wherever they exist in the world.

Above all, let us find more and more areas where we can substitute cooperation for competition in achieving our goal of a fuller, freer, richer life for every man, woman, and child on this earth.

Our Bank Reserves

EXTENSION OF REMARKS

OF

HON. WILLIAM PROXMIRE

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a letter from Congressman HENRY REUSS, of Milwaukee, to the Sunday New York Times of yesterday be printed in the RECORD.

Mr. President, Congressman HENRY REUSS is a brilliant Congressman with a particular competence in monetary policy. He is generally reputed to be the author of the current sense-of-Congress

proposal before the House Ways and Means Committee that would tie a directive on Federal Reserve policy into any change in the 4¼ percent interest ceiling on Government bonds.

The general charge against the Reuss proposal is that it is inflationary. As Congressman REUSS drives home convincingly in his letter, the "sense" amendment is not inflationary because it would not require or direct or even suggest that the Federal Reserve create one nickel of additional reserves or money supply.

It simply provides that should the Federal Reserve in its good judgment decide to expand the supply of money—as it has said it intends to do at a rate of about 3 percent a year, it should do so—when feasible—by buying Government obligations—and thus supporting the Government bond market instead of increasing reserves.

This letter of yesterday, incidentally, constitutes an excellent answer to the attacks on the Reuss resolution by the Chairman of the Board of Governors of the Federal Reserve Board and the Secretary of the Treasury—reported in this morning's papers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OUR BANK RESERVES—AMENDMENT DEFENDED AS ATTEMPT TO GUIDE FEDERAL RESERVE

(The writer of the following letter is a Representative to Congress from Wisconsin.)

To the EDITOR OF THE NEW YORK TIMES:

In your editorial of July 15, "The Treasury's Problem," you ask the question: "Are there devices by which the Federal Reserve System, without pumping up the Nation's bank reserves and money supply to inflationary proportions, could help solve the Treasury's problem?"

You then look at the "sense-of-Congress" amendment to the interest-ceiling bill approved by the House Ways and Means Committee and conclude that it will not help solve the Treasury's problem without being inflationary.

The "sense-of-Congress" amendment which I proposed to the Ways and Means Committee, and which was adopted, states:

"It is the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should to the maximum extent consistent therewith utilize such means as will assist in the economical and efficient management of the public debt; and that the system, where practicable, should bring about future needed monetary expansion by purchasing U.S. securities of varying maturities."

MONEY SUPPLY

This amendment, it will be noted, does not require the Federal Reserve to create one nickel's worth more of banking reserves—and thus the money supply—than the Federal Reserve thinks wise. Reasonable men may differ on what the supply of money ought to be, but the amendment does not attempt to sway the Federal Reserve in any way on this. The Federal Reserve has recently testified that it envisages an average annual increase of 3 percent in the money supply. For the 2-year duration of the Ways and Means Committee bill, therefore, the amount of new reserves to be created would be on the order of \$2 billion.

The question is: Should the Federal Reserve create these reserves by further lowering bank-reserve requirements, as it has been doing during the last 6 years and as it

threatens to continue to do, rather than by purchasing U.S. securities, as the sense amendment envisages.

Using the securities-purchasing method rather than the reserve requirements-lowering method would assist in the economical and efficient management of the public debt in these three ways:

Assuming purchase by the Federal Reserve of \$2 billion of U.S. securities in the next 2 years, it would result in a saving to the taxpayers of the interest charge on that amount, since the Federal Reserve earnings substantially revert to the Treasury.

PRICE FLUCTUATIONS

The purchase by the Federal Reserve of these securities would at least moderate somewhat downward fluctuations in the prices of U.S. securities, and thus make them more attractive to investors.

The lodging in the Federal Reserve of a higher proportion of the debt would make Treasury financing more orderly by reducing the amount of attrition—where security-holders refuse to accept exchanges and demand cash repayment.

The sense amendment does not purport to be a universal panacea. But I believe it to be a sincere attempt by the Congress to give some needed guidance to the Federal Reserve, the agency to which the Congress has delegated some of its monetary powers. It is not inflationary, and it does help solve the Treasury's problem.

HENRY S. REUSS.

WASHINGTON, July 23, 1959.

Sugar Beets in the Red River Valley

EXTENSION OF REMARKS

OF

HON. ODIN LANGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. LANGEN. Mr. Speaker, because of the great volume of mail that has come to my office expressing concern for the development and progress of the production of beets and the sugar beet industry throughout the Red River Valley, I take this means of conveying to Congress the significant part that the production of sugar beets plays in the economic stability and opportunity for the Red River Valley.

All of us, of course, are greatly concerned with the agricultural problem that confronts this Nation. In my humble opinion, there is not any crop which has as great a future potential for an improved agricultural economy as that of the production of sugar beets to the Red River Valley. The very fertile soil, climatic conditions and available labor necessary in the production of beets, are all available in abundant quantities. Possibly just as important is the fact that sugar beets is a crop that is raised as a row crop and for this reason, has a real importance to this area in the control of weeds and adds a great deal to the diversity of farming throughout the valley. These are facts that have certainly been well established during the last decade as the sugar beet industry and production have grown and prospered.

The valley now has three processing plants located at East Grand Forks,

Moorhead, and Crookston, that accommodate the production of over 90,000 acres. These 90,000 acres, located in northwestern Minnesota and northeastern North Dakota, mean a gross average annual income of well over \$13 million. However, this is only a small part of the potential for expanded production of sugar beets, as is so clearly indicated by the continuous desire on the part of farm people in the area to raise additional beets. During the last year there were 3,517 actual signed applications requesting beet acreages totaling 44,916 acres. Of these requests, under present limitations, it was only possible to grant an acreage of 460 acres to 18 new growers. This means that 99 out of every 100 applications had to be turned down. There might well have been requests for an additional 30,000 acres but for the fact that so many of the farmers felt that it would be only a futile effort to complete the applications. There is, as well, a great desire on the part of farmers now producing beets that they might be permitted to expand their acres. For, during the past years they have experienced reductions in their sugar beet acreage allotments. It is somewhat difficult for the farmers to understand this curtailment in the production of a crop in which we, as a Nation, produce only 30 percent of our needs.

May I take just a moment to further point to the significance that this implies to the agricultural and economic future of the Red River Valley. The production, or the growing of an additional 70,000 acres of beets would mean an additional gross income to that area of over \$10 million annually. Just as significant is the fact that the production of sugar beets, which has grown to be highly mechanized in the past years, requires a great deal of machinery. The sale of these necessary implements and equipment would be of substantial benefit to the welfare of implement dealers and business enterprises throughout the many small towns. These small towns are presently having a difficult time surviving with the reduced farm income. The job opportunities that would be provided would, of course, add to the strengthening of the entire economy. Surely these are points to which we would want to give our most sincere consideration as we ponder the possible solution to the agricultural problem and the economic future of our States and Nation.

It is my hope that Congress, in its wisdom, may give adequate consideration to the potential of production of sugar beets in the Red River Valley as we direct our attention to the controversy that presently exists regarding the renewal of the Sugar Act. Not only will expanded production of sugar beets improve the gross income of farms in the Red River Valley, but it has the further potential of reducing the production of other crops which presently are in surplus and are depressing the markets.

The Department of Agriculture has just announced an 8 percent reduction in farm income for the first 6 months of 1959. This is a further indication of the need for Congress to consider every pos-

sible avenue of approach to deal in a realistic manner with the agricultural problem.

Each of these points have been substantially emphasized by the mail that I have received from so many farm people throughout the Red River Valley.

Using Farm Products in International Farm Programs

EXTENSION OF REMARKS

OF

HON. GEORGE D. AIKEN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. AIKEN. Mr. President, on June 30, our distinguished colleague and agricultural specialist, the junior Senator from Kansas [Mr. CARLSON], delivered before the International Economic Policy Association, at the Mayflower Hotel, an address entitled "Using Farm Products in International Farm Programs." I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

USING FARM PRODUCTS IN INTERNATIONAL FARM PROGRAMS

(Speech by Senator FRANK CARLSON,¹ before the International Economic Policy Association, Mayflower Hotel, June 30, 1959)

The American farmer is the world's largest exporter of food and fiber and for this reason plays an important part in our international economic programs.

The export of these farm commodities means only dollars for farmers, but it has been—and will continue to be—an important part of a program of bringing closer relationships with countries that do not have an abundant food supply. Food for Peace must be more than just a slogan—it can and must be a reality.

Our Nation must continue to expand its export market of farm products. We exported the crops from 50 million acres of cropland last year.

I do not like to delve into statistics, but it is interesting to note that slightly less than 20 percent of the total volume of all farm products similar to those produced in the United States entered into world trade.

We exported about one-half of our cotton produced—two-fifths of our wheat and rice—one-third of our soybeans and tobacco—one-third of the tallow produced in this country and one-sixth of our lard output.

At the present time we have a number of surplus disposal programs. Under Public Law 480, the Agriculture Trade Development Act, we have had programs under which we

¹ Senator FRANK CARLSON, of Kansas, is a member of the Senate Foreign Relations Committee, and has a distinguished record of public service, including six terms in the House of Representatives, two terms as Governor of Kansas, and three sessions of the Kansas State Legislature. Noted as an expert in the fields of farm and tax legislation, Senator CARLSON also serves on the Senate Finance Committee and the Post Office and Civil Service Committee. Outside the Senate, he also acts as international president of the International Council for Christian Leadership. First elected to the Senate in 1950, he was reelected in 1956.

could sell our surpluses for foreign currency—donate them to foreign countries for emergency relief—distribute them to private agencies—to hungry people at home and abroad and barter them for strategic materials.

Thirty-eight countries have participated in the Public Law 480 programs. Under title I, which allows surplus sales for local currencies, India has received \$544 million, Yugoslavia \$341 million, Spain \$276 million, Pakistan \$240 million, and Brazil \$155 million from U.S. surplus stocks.

Through our mutual security program we are distributing our agricultural commodities at the rate of \$175 million per year. This \$175 million was continued for another year in the authorization bill which is before Congress.

Many are asking why it has not been possible to make greater use of the ever-increasing surpluses, particularly wheat. I think it should be mentioned that there are three principal reasons:

1. The most important is the problem of competition. This makes a real problem in dealing, particularly, with our Canadian neighbors to the north who also have great surpluses of wheat.

Only last month the Canadian Chamber of Commerce complained that the United States was using subsidized flour as an economic weapon to displace Canada from second place as a supplier to the new West Indies Federation.

2. Another problem we have in moving this food to foreign countries is the inability of many of the underdeveloped countries to handle incoming shipments.

For instance, we send a shipload of American wheat to India every day, but India's ports are so congested that it is impossible to secure immediate handling of our shipments.

Many suggestions have been made that improved unloading and handling facilities at the docks be arranged, but these suggestions have met opposition from the Indian Government because of the great surplus of labor, and therefore, the unloading is done mostly by hand.

In addition to this problem, we have the problem of inadequate storage and distribution facilities in most of the underdeveloped countries.

3. Congress must appropriate money to reimburse the Commodity Credit Corporation for stocks that are removed and distributed for food in needy countries.

Many of us on the Senate Foreign Relations Committee had hoped that we might increase substantially the amount of money available for food through the mutual aid program, but evidence was presented to our committee which indicated that the present authorization of \$175 million was about all that could be used, based on the facilities that the underdeveloped countries had for receiving and distributing this food.

From a humanitarian standpoint, I know of nothing we can do as a Nation that will win friends faster and more permanently than getting food and fiber into the hands of the needy.

We had evidence and testimony showing that these gifts through our mutual aid program prevented millions of people from starving to death.

The distribution of this food to underdeveloped countries where there are millions of needy and undernourished people is more than a commodity disposal operation—it has important psychological value. In my opinion, it is one of the most effective forms of foreign aid.

The possibilities of this program have been amply demonstrated in India. Since 1956 the United States has shipped the following farm products to India out of our surplus production: 230 million bushels of wheat, 8 million bushels of corn and sorghum, 4.3

million bags of rice, 235,000 bales of cotton, 5 million pounds of tobacco, and 25 million pounds of dried milk.

These millions of tons of American agricultural products are vital to India for more than purely humanitarian reasons.

This successful experience in India with the constructive uses to which our farm surplus has been put illustrated why the Congress must reenact legislation dealing with this problem. It is a program that we can use to great advantage in other underdeveloped countries.

I, personally, had an opportunity to see the result of these programs in Pakistan, India, Thailand, and Formosa.

While it is essential that we maintain programs of military assistance, defense support, and economic aid, it is, in my opinion, equally important that we continue to build good will and friendship, based on our Nation's Christian teachings and background that we are "our brother's keeper."

Our military strength—our great national production through the private enterprise system—and the humanitarian aspects of our people, by giving aid to those who are less fortunate, have placed us in an enviable position among the nations.

A Bill To Insure an Adequate Return on Social Security Trust Funds

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. REUSS. Mr. Speaker, I have today introduced H.R. 8407, a bill to remove the Secretary of the Treasury as managing trustee of the social security trust funds, and to substitute for him a person without conflicting interests; and to require a return on the social security trust funds as near as possible to the return being realized by regular investors in U.S. Government securities.

The old age and survivors insurance trust, and the Federal disability insurance trust, have been built up over the years since 1936 by the contributors of employees and their employers. As of May 31, 1959, the funds had assets of \$20.4 billion, all of it invested, by law, in U.S. securities. Of this \$20.4 billion, \$3.2 billion are in assorted notes and bonds of public issues, whereas \$17.2 billion are in so-called "special obligations."

The \$17.2 billion of special obligations earned an average interest rate of only 2.556 percent as of May 1959. On the other hand, the average yield on marketable U.S. bonds for May 1959, was 4.08 percent. This means that the social security funds were and are being forced to accept a return of 1.53 percent less than they would have received if their investing trustees had been obtaining in the long-term U.S. securities market the going rate of return. At this rate, the participants in the social security funds will lose more than \$260 million worth of interest in this year alone. In some degree this has been going on since 1953, when money first started to get tight, and the interest rate on U.S. securities began to climb. Unless checked by

Congress, this shortchanging of the old folks will continue.

The interest yield is an important part of the total of the social security funds. The official publication, "Social Security Financing," by Ida C. Merriam, published by the Social Security Administration in 1952, assumed that "ultimately roughly one-third of benefit outlays will be met by interest earnings"—page 41.

This interest, compounded, is what keeps the fund actuarially sound. Together with current contributions, it is necessary to pay retirement benefits, aids to widows and dependents, and disability benefits. To the extent that the fund is depleted because its managers accept less than the going rate of interest for U.S. securities, extensions of benefits, both in amounts and in coverage, that would otherwise be possible consistent with actuarial soundness, are prevented.

The history of social security legislation reveals how this shortchanging of participants has come about. Under the original Social Security Act of 1935, the social security funds drew interest at the rate of not less than 3 percent a year, which was perfectly fair to the participants, since 3 percent was above the going long-term rate of interest.

In 1939, the present trust fund management was set up, consisting of the Secretary of the Treasury as managing trustee, together with the Secretary of the Labor and the Chairman of the Social Security Board—later the Secretary of Health, Education, and Welfare. The 1939 act also authorized the investment of the social security funds in any U.S. marketable securities, and also in special obligations, which were to bear interest at a rate equal to the average coupon rate of interest on the entire national debt. In 1956 came a slight amendment, changing the rate on special obligations to the average coupon rate on obligations of 5 years and over. This result in the inadequate 2.556-percent yield, now that yields of old outstanding U.S. bonds greatly exceed their coupon rate.

The present \$17.2 billion holdings, of special obligations is almost three-fourths concentrated in certificates or notes callable in this year, 1959—a total of \$12,374,300,000. \$4,825 million are in bonds callable in 1963. The average return on the entire \$17.2 billion, as I have indicated, is 2.556 percent.

To make the Secretary of the Treasury managing trustee of the social security funds as Congress has done, is to place him, as trustee, in an impossible conflict-of-interest situation. He is being made to serve two masters, which no man, particularly a trustee, can do.

As guardian of the social security trust funds, he and his cotrustee are duty bound to invest that money in U.S. securities so as to yield the highest possible return consistent with sensible administration. There is nothing in the law which requires the trustees to buy 2.556 percent special obligations, rather than outstanding U.S. securities yielding 4½ percent or more.

As Secretary of the Treasury, his duty is to administer the national debt at the least possible cost to the taxpayer. Here

arises a square conflict—in this year a \$260-million conflict.

Under the Treasury-Federal Reserve debt-management policies of the last few years, most holders of the national debt have never had it so good. Banks have made record-breaking profits out of their holdings of U.S. securities. Institutional and individual investors have likewise profited very substantially. For example, within the last few weeks the Treasury had to pay investors 4.728 percent for 1-year money.

But the joke—and it is a wry one—is on the old folks. While other money lenders were getting 4.728 percent for a 1-year loan to the Treasury, the social security funds were compelled to struggle along on 2.556 percent.

Last January the Treasury issued a 21-year 4-percent bond. If you or I, Mr. Speaker, had been trustees of the social security funds, surveying our portfolio yielding only 2.556 percent, we would have jumped to invest hundreds of millions in this 4-percent issue. Instead, the Treasury allowed the funds to purchase only \$18 million.

The law of trusts is clear that a trustee must use the utmost care to invest trust property in the most productive manner possible without risking the loss of principal—Scott, "The Law of Trusts," 22d edition, volume III, section 277. Where trustees permitted money owing them by a corporation of which they were directors and officers to remain unpaid, they were held personally chargeable with the loss to the trust—*Matter of Keane* (95 Misc. 25, 160 N.Y. Supp. 200 (1916)).

Where the trustee lent trust funds to a corporation of which he was president, which later failed, he was held liable for the resulting loss. *Humpa v. Hedstrom* (345 Ill. App. 289, 102 N.E. 2d 686 (1951)). See also *In Sparks Estate* (328 Pa. 384, 196 Atl. 48); *In Matter of Whitmore* (172 Misc. 277, 15 N.Y.S. 2d (1930)); *Parsons v. Wysox* (180 Va. 84, 21 S.E. 2d 753 (1942)); *Carrier v. Carrier* (226 N.Y. 114, 712, 123 N.E. 135, 858 (1919)).

I am not suggesting that Secretary Anderson should have to restore to the social security funds the \$260 million or so which will be lost this year to participants because of his failure to obtain for his beneficiaries the same yield on U.S. securities which other trustees are obtaining for their beneficiaries. I am suggesting that the Secretary of the Treasury should be removed from his conflict-of-interest situation. To this end, H.R. 8407 removes the Secretary of the Treasury as managing trustee of the fund, and instead provides for the selection of the managing trustee by the two other trustees, the Secretary of Labor and the Secretary of Health, Education, and Welfare.

The bill further provides that the reconstituted Board of Trustees shall within 4 months submit to Congress a comprehensive report, including recommendations for changes in the law, whereby the interest yield on social security funds "can be made most nearly equal to the yield earned by private investors of insurance funds from invest-

ments in securities of or guaranteed by the United States." Last January the Advisory Council on Social Security financing recommended that special obligations should have a yield equal to that of outstanding U.S. 5-year obligations—currently above 4 percent. This would be a vast improvement over the present yield on special obligations. Even this new rate, however, may be inadequate in view of the callable character of special obligations. And the Treasury, it should be noted, opposes the advisory council's recommendations.

To permit Congress to act intelligently we need this advice of a managing trustee without a conflict of interest.

H.R. 8407 specifies that the managing trustee, in addition to not having any conflicting interests, shall be a person of recognized integrity, and shall have a thorough knowledge of the insurance program established by this title and its problems. Surely there are numerous able Americans who could act as managing trustee.

The text of H.R. 8407 follows:

A bill to amend title II of the Social Security Act to change the composition of the Board of Trustees of the Social Security Trust Funds, and to require a comprehensive report to the Congress with respect to the investment of such Funds

Be it enacted by the Senate and House of Representatives of the United States of America assembled, That (a) section 201(c) of the Social Security Act is amended by striking out the first two sentences and inserting in lieu thereof the following: "With respect to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (hereinafter in this title called the 'Trust Funds') there is hereby created a body to be known as the Board of Trustees of the Trust Funds (hereinafter in this title called the 'Board of Trustees'), which Board of Trustees shall be composed of the Secretary of Labor, ex officio, the Secretary of Health, Education, and Welfare, ex officio, and a third member who shall be selected jointly by such two Secretaries in the manner provided in subsection (i) and shall be the Managing Trustee of the Board of Trustees (hereinafter in this title called the 'Managing Trustee')."

(b) Section 201 of such Act is further amended by adding at the end thereof the following new subsection:

"(1) (i) The Managing Trustee shall be selected from among individuals in private life who are persons of recognized integrity, and shall have a thorough knowledge of the insurance program established by this title and its problems, with no conflicting interests which would hinder the performance of disinterested public service either in the investment of the Trust Funds or in the other functions and duties vested in the Managing Trustee.

"(2) The term of office of the Managing Trustee shall be four years.

"(3) The Managing Trustee shall receive compensation at the rate of \$100 a day for each day he is actually engaged in the performance of his functions under this Act, and shall in addition be reimbursed for the actual and necessary expenses incurred by him in the performance of his duties.

"(4) The Secretary of Health, Education, and Welfare shall make available to the Managing Trustee, from the personnel, facilities, and services of his Department, such secretarial, clerical, technical, and other assistance, and such information and data, as may be necessary or appropriate to the

performance of the duties of the Managing Trustee."

Sec. 2. (a) The first sentence of section 201(g) (1) of the Social Security Act is amended by striking out "estimated by him and the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "estimated and certified to him by the Secretary of Health, Education, and Welfare and the Secretary of the Treasury".

(b) The first sentence of section 201(g) (2) of such Act is amended by striking out "estimated by him" and inserting in lieu thereof "estimated and certified to him by the Secretary of the Treasury".

(c) Section 205(i) of such Act is amended by striking out "through the Fiscal Service of the Treasury Department," and inserting in lieu thereof "in such manner as may be appropriate".

(d) Section 218(h) (3) of such Act is amended by striking out "through the Fiscal Service of the Treasury Department" and inserting in lieu thereof "in such manner as may be appropriate".

Sec. 3. Upon the selection of the Managing Trustee of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Trust Fund under section 201(c) of the Social Security Act as amended by the first section of this Act which shall be accomplished within thirty days after the date of the enactment of this Act, the Board of Trustees as constituted under such section as so amended shall assume, continue, and carry out all of the functions and duties which were being performed by the Board of Trustees as constituted before such amendment, and the Managing Trustee so selected shall assume, continue, and carry out all of the functions and duties which were being performed by the Managing Trustee provided for by such section as in effect before such amendment.

Sec. 4. Within four months after the date of the enactment of this Act, the Board of Trustees provided for by section 201(c) of the Social Security Act as amended by the first section of this Act shall submit to the Congress a comprehensive report, including its recommendations for changes in the law, with respect to the investment of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, with particular reference to the ways in which the interest yield to such Funds can be made most nearly equal to the yield earned by private investors of insurance funds from investments in securities of or guaranteed by the United States. Such report shall include recommendations on the maturity of obligations subscribed by or issued to such Trust Funds; the proportion of such Funds which should be held in short-term obligations; the relative desirability of subscription to public issues of securities to the Trust Funds or to special issues of such securities; the desirability of establishing a statutory minimum interest rate on special issues of obligations to such Trust Funds; and any other matters deemed by the Board of Trustees to be appropriate or relevant.

Twenty-third Annual Conference of National Association of County Officials

EXTENSION OF REMARKS OF

HON. ROBERT A. EVERETT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. EVERETT. Mr. Speaker, I have just returned from Detroit, Mich., where

the National Association of County Officials is holding its annual convention. This association has as its officers and directors: W. H. "Pat" Johnston, president, Georgia; William E. Dennison, first vice president, Michigan; Dan Gray, second vice president, Alabama; William O. Druffel, third vice president, Washington; Lawrence M. Lear, fourth vice president, New Jersey; G. A. Treagle, treasurer, Virginia; Bernard F. Hillenbrand, executive director, Maryland.

Board of directors: Norman A. Peil, chairman, Pennsylvania; Mark Johnson, Utah; Francis J. Pritchard, Connecticut; C. Arthur Elliott, Iowa; James H. Aldredge, Georgia; Marion Fogleman, Louisiana; Lester R. Gopp, Wyoming; Donald M. Neff, New York; Lloyd Rea, Oregon; Lemuel R. Johnson, North Carolina; Merle K. Anderson, Illinois; Herman C. Kersteen, Pennsylvania; C. L. Swenson, Idaho; David Bird, California; Keith McBurney, Colorado; Hurshel Jacobs, Indiana; Judge C. Beverly Briley, Tennessee; Earl W. Simmons, Florida.

Western regional district: Lester Gopp, president, Laramie County, Wyo.; M. James Gleason, vice president, Multnomah County, Ore.; William R. MacDougall, secretary treasurer, Sacramento County, Calif.; Keith McBurney, national director, Colorado; Cleo Swenson, national director, Idaho.

National Association of County Recorders and Clerks: William P. Gable, Jr., Tulsa, Okla., president; Thomas P. Chapman, Jr., Fairfax, Va., first vice president; Hazel T. Chase, Salt Lake City, second vice president; D. H. Sloan, Jr., Bartow, Fla., third vice president; Mrs. Gertrude McCain, Celina, Ohio, secretary-treasurer; Mrs. Lucille Dunn, Hutchinson, Kans., historian.

National Association of County Engineers: Leighton O. Hester, Florida, president; Donald L. Smith, Alabama, regional vice president, southeast; Rufus Kirk, Kansas, regional vice president, south-central; C. Arthur Elliott, Iowa, regional vice president, north-central; Walter E. Rusk, Ohio, regional vice president, northeast; John A. Lambie, California, first vice president; L. T. DeBarleben, Alabama, secretary-treasurer.

National Association of County Treasurers and Finance officers: Sharp M. Larsen, Salt Lake City, Utah, president; William A. Bell, Girard, Kans., first vice president; Howard L. Dietrick, Rock Island, Ill., second vice president; Lucille Woofendale, Indianapolis, Ind., third vice president; Robert Fitzsimmons, Minneapolis, Minn., secretary.

Conference of State Association Executives: C. L. Chamberlain, New York, chairman; William B. Speck, Virginia, immediate past chairman; Jack Lamping, New Jersey, secretary.

The staff of this association is composed of: Staff of National Association of County Officials: Bernard F. Hillenbrand, executive director; Alastair McArthur, assistant director for research and field operations; Jack Merelman, assistant director for Federal affairs; Philip B. Warren, Jr., assistant director for publications; Sally Ann Johnson, office manager;

Elizabeth Loughlin, production manager; Sue Skillcorn; director of finances; Jacquelyn Pritner, administrative assistant.

More than 2,000 elective and appointed county officials are attending this 23d annual conference of the National Association of County Officials.

This meeting is one of the largest and most important national assemblies ever held on local government. The theme is "The Rebirth of the American County," and plays up the tremendous strides made by these local government units within the past few years. Counties are now assuming an everbroadening list of municipal-type services and are taking over many area-wide functions either alone or in conjunction with other agencies. Among these projects in key metropolitan areas are sewage, water, air pollution control, and airports.

Seven panel sessions are being presented during the conference, three are running simultaneously today and three more the following morning. These are: "How To Save Your County Money," "Improve County Administration," "A Successful Bond Sale," "Counties and the Press," "Massive Cooperation," and "How To Conduct Studies of Local Government." Each will feature a board of knowledgeable and nationally known experts in the fields under discussion.

The third general session, that same afternoon, will be devoted to adoption of resolutions, changes in the association's policy statement, the American county platform, and the election of officers and directors.

Following a custom started last year at the association's 22d annual conference in Portland, Ore., Federal officials responsible for administering grants-in-aid and other U.S. programs of direct concern to localities are at the conference. They are answering questions concerning their programs and are giving personal advice and afford personal contact, for the county officials have from year to year to meet with the Federal officials responsible for many of these programs.

During the meeting the three affiliated functional groups, the National Association of County Recorders and Clerks, the National Association of Engineers, and the National Association of County Treasurers and Finance Officers, as well as the State Association Executives, are holding separate programs within the framework of the NACO meeting. Another fast-growing group within the national organization, the County Executives, will be informally organized during the conference. Some State associations are holding breakfasts and other functions on their own.

Each of NACO's nine standing committees are meeting during the conference. They are hearing leading Federal and other authorities within their areas of concern and are passing on policy statements for consideration by the membership.

I know that Members of the Congress will be pleased to know that these county officials, their constituents from over this great Nation of ours, are holding

this meeting to help improve county government, exchange ideas, and to render a greater service to their people.

Hog Marketing Premium Payments Bill

EXTENSION OF REMARKS OF

HON. EARL HOGAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. HOGAN. Mr. Speaker, I am introducing for appropriate reference a bill to prevent any further drastic drop in the price of hogs. The average price received by farmers for hogs over the United States has dropped by over \$6 during the past year. This is a drop of about one-third. In terms of parity, the price of hogs in June of this year had dropped below 70 percent.

Forecasts published in private trade journals as well as in U.S. Department of Agriculture bulletins indicate that unless something is done soon the prices received by farmers for hogs will continue to drop throughout the rest of this year and most of 1960.

The bill I am introducing today is an attempt to stop further decline in hog prices by working directly upon the cause for the weakness in the market, an oversupply of pork. The proposal provided in my bill is designed to slow the rapid buildup in hog numbers and bring about a quick adjustment in pork production before farmers' income from hogs becomes critically low. My bill seeks to reduce the total production of pork by making marketing premium incentive payments on lightweight hogs. The small payment involved would help directly, of course, to make up for some of the lowness in price. But the major effect of the payment on lightweight hogs is not the direct income effect but rather its supply-reducing effect which should help prevent the prices of hogs from dropping to an extremely low level as they did at the bottom of the cycle in 1955 and 1956.

Various methods could be used to help bring about more orderly marketing and managed bargaining on the part of hog producers. But as a short-run program to stop the hog price decline that is already upon us, it is felt that direct payments to farmers would have more success in bringing about rapid adjustment than any other type of Government action.

Following is the program designed to deal with the short-run problem as provided in my bill:

First. The marketing premium payment would be applicable to all slaughter hogs marketed at live weights between 180 and 200 pounds.

Second. Producers presenting invoices of sales of lightweight butcher hogs could collect their marketing incentive payment at the county office.

Third. The payment would vary in accordance with how low the price of hogs

should become. My object is to make the incentive large enough so that the market supply of pork will be reduced.

The program proposed in my bill is not a longrun solution to the hog marketing problem. It is frankly a stopgap program to meet an emergency situation. It is aimed at encouraging a more orderly adjustment of volume of hogs slaughtered and to supplement hog farmers' income for a short period until the hog cycle can right itself. The program would remain in effect for a maximum of 1 year at a time. It should be extended for greater periods. Its purpose is to prevent the bottom of the hog price cycle from becoming so low.

The cost of the program can be estimated only approximately since no one knows for sure how low the price of hogs might go in the absence of the program. But in no event may the program provided in my bill require payments of more than \$150 million in any one year. The program provided by my bill is self-limiting. If the price goes down owing to large marketings, the value of the premium payment on sale of lightweight hogs becomes more important relative to total return, this encourages larger numbers of farmers to sell at the lighter weights and qualify for the premium payment. This means that hogs would be marketed at 190 pounds, instead of at, say, 240 pounds per head. This would be a reduction per head of as much as 50 pounds less pork being placed on the market. This reduction in market supply would cause the market price to rise, thus reducing the volume of payments that would actually have to be made.

Mr. Speaker, it is an old saying that great minds often run in the same channels.

I have been working on this proposal for some time. I had been waiting to introduce it until it seemed like the proper time to catch hog prices before they drop too far.

I was surprised and gratified to note in the newspaper the other day that others had been working on a similar proposal. Among others who have been giving thought to this proposal has been the agriculture committee on the National Planning Association, which just recently put out a policy statement advocating premium payments on sale for slaughter of lightweight hogs.

I should like to read excerpts from the policy statement of the National Planning Association. While the specific mechanics of the proposal they have recommended is slightly different from that provided in my bill, the proposals are very similar:

TOO MANY HOGS

Heavy hog supplies in 1960, and resulting low prices, are likely to create a problem which will seem all the more acute because 1960 is a presidential year. Under these circumstances, there will be many pressures for Government intervention. There are likely to be proposals submitted which will not stem from a thorough analysis of conditions but from political expediency and which, if put into effect, might be detrimental to hog producers.

In this situation it is desirable that prompt attention be given to the problems

before they become acute, in the hope that conditions can be carefully appraised and the best course of action determined. * * *

It should be emphasized that the type of Government action which we believe would be most appropriate and which is set forth below is designed to slow the rapid buildup in hog numbers and bring about a quick adjustment in production before farmers' income from hogs becomes critically low.

PRESENT FEED GRAIN SITUATION

For 7 consecutive years, the stocks of feed grain have increased and by October 1, 1959, will be nearly four times the level of 1952 which was considered to be about a normal carryover. This has occurred during a period when the number of grain consuming animal units was relatively large and the quantity of feed per animal unit was at an alltime high. It has occurred during a period when the population of the country was expanding at the rate of nearly 3 million persons per year, and the consumption of meat and poultry, per capita, averaged above any other 7-year period since the turn of the century. Yet, surplus stocks of feed grain have accumulated at a rate of about 8 million tons per year.

The present feed grain carryover will amount to about 75 million tons by October 1, 1959. Practically all of this carryover is owned or under loan by the Commodity Credit Corporation. The annual excess production of feed grains and the magnitude of present storage stocks have become major problems.

The production of feed grains for each year from 1955 through 1958 was higher than for any previous year except 1948 (and the last 2 years were alltime records). Despite the fact that the Government, through its price-support programs, has accumulated record surpluses, prices of grains have fallen rapidly. The price of corn fell from about \$1.72 per bushel before the new crop was available in 1952 to about \$1.16 during the same period of the year in 1958. The price of oats fell from about 80 cents per bushel in the summer of 1952 to 56 cents in 1958. The price of sorghum grain fell from \$1.61 per bushel to 97 cents during the same time.

OUTLETS FOR FEED GRAIN

Over 80 percent of domestic feed grains are used for feeding livestock. The demands for feed grains for food, seed and industry normally account for about a tenth of total utilization. Exports which account for the remainder have varied from 0 to 7 percent. * * *

Cattle feeding is at an alltime high. However, the current buildup in cattle numbers will mean that there will soon be a greater supply of lower grade cattle on the market to compete with fed cattle. Under free market conditions, it is unlikely that cattle feeding will increase very fast in the face of rising pork output and later, rising total beef output. Cattle feeding remained practically constant from the end of 1952 (5,762,000 head), when large marketings of lower grade cattle began, until the end of 1957 (5,867,000 head), after the cattle and hog cycles had turned downward, despite the fact that the supply of feed grains was large and increasing during this period.

Poultry production is also at an alltime high after a rapid increase during the last 4 years. However, with increasing red meat production, it is unlikely that the rate of expansion in poultry will be maintained over the next few years. * * *

One of the most probable outlets for part of the present large feed grain supply is the hog industry. This industry is already a big user of feed grains. About 80 million hogs are produced for sale in this country each year. Usually about 450 pounds of feed concentrate are fed for each 100 pounds of live hogs, or about one-half ton per hog mar-

keted. This amounts to about 40 million tons of feed grain per year.

During the past year, under conditions which favored an expansion in hog production, numbers have increased rapidly. It is almost inevitable that the increase in hog production will result in an even larger percentage decrease in hog prices.

Large price reductions at retail are necessary to stimulate consumers to purchase the increased production. These price reductions are so large that the farmers actually receive less total dollars from the marketing of a large crop of hogs than they do from a small one.

Recent estimates indicate that a 10-percent increase in hog production is associated with about a 25-percent decrease in hog prices. The likely income depression resulting from the current increase in production is one of the big problems currently facing the hog industry.

NO QUICK SOLUTION FOR GRAIN PROBLEM THROUGH HOG EXPANSION

However, any sharp buildup in hog numbers could give consolation in one respect: it could mean larger disappearance of feed grains. The thought might be entertained that at a reasonable cost, a hog program could be established with the object of using up the surplus feeds within a short period of time. But there is little hope of this, even if production of feed grains were held in close check.

The two problems, one of huge grain surpluses, the other of low and cyclical incomes to hog producers, are diametrically opposed. Any attempt to quickly feed a substantial amount of the grain surplus through hogs would severely depress the hog industry, disrupt resources in the industry, and would likely be very costly to the Government because of political pressures to assist the distressed producers. On the other hand, any attempt to reduce hog production to raise prices in the short run would add to the grain surplus.

The carryover on feed grains on October 1, 1959, will be about 75 million tons or 55 million tons more than a normal carryover. The approximately 80 million hogs which are now produced each year consume about 40 million tons of feed. This rate of production has grossed the farmer an average of about \$17 per hundredweight during the last cycle.

If hog production were increased an average of 25 percent to about 100 million hogs per year, usage of feed would be increased about 10 million tons per year. But if the recent relationship between hog production and prices continued, prices of hogs on a free market basis would fall approximately 60 to 65 percent to average about \$7 per hundredweight. This would reduce annual gross farm income from hog marketings on the free market from the \$3.2 billion which it has averaged recently to about \$1.6 billion, a reduction of about \$1.6 billion per year. And even at this rate of hog production, it would take about 5½ years to reduce the present feed surplus to a level of 20 million tons, assuming that the production of feed grains, beginning with the 1959 crop, were successfully adjusted to other demands so that there were no new additions to surplus. During these 5½ years, gross income to hog farmers from the free market would be reduced about \$9 billion relative to the average hog income over the past few years.

To look at the problem from another angle, suppose the current surplus grain stocks were insulated from the market, that is, frozen at their present size of 75 million tons. If this were done and if production continued to outrun utilization by about 8 million tons a year, what would be the effects if the excess output were fed through hogs? This excess production would feed about 16 million more hogs per year, increasing hog

output 20 percent. Prices of hogs would probably drop about 50 percent, or from \$17 to \$8.50 per hundredweight, and cause gross farm receipts from hogs to decline from about \$3.2 billion to about \$1.9 billion per year.

THE HOG PROBLEM

From the year ending June 1954 to the year ending October 1956, federally inspected hog slaughter increased from 50.3 million to 67.6 million hogs. This was a 34-percent increase in 28 months and occurred under peacetime conditions. It occurred with a feed grain carryover less than half the present size, during years of average feed grain production with grain prices above present levels and during years of relatively high beef production which furnished strong competition against pork. Under present conditions of record large stocks of grains, record large current grain production, record hog-corn ratios in 1958 (average 18.6; previous record was 17 in 1926), and less competition from beef, the ingredients for a rapid buildup in numbers exist.

Production changes of the magnitude indicated above can bring violent changes in the free market prices for hogs. The annual average price received by farmers for hogs dropped from about \$23 during the year ending May 1954 to about \$13 during the year ending July 1956. Thus the price was nearly halved in 26 months. When the cyclical effects are compounded by the seasonality of production, even more fluctuation is observed. The farm price of hogs varied from a monthly average of \$26.40 in April 1954 to only \$10.60 20 months later. Cash receipts from sales of hogs fell from an annual level of \$3,455 million in 1954 to \$2,628 million in 1956.

LIKELY EVENTS WITH NO GOVERNMENT INTERVENTION

Under free market conditions, the present expansion in hog breeding which began about January 1958 will likely continue through at least part of 1960. Under conditions which did not appear to be any more favorable, if as favorable, to increasing hog numbers, the expansion in breeding during the last cycle continued for 26 months.

Marketings will likely peak during the winter and spring of 1960-61 and prices are likely to be near, and could slip below, prices of the 1955-56 winter low. A more level seasonal pattern of marketings may help keep prices from going extremely low during any particular month. But it is also possible that such a pattern could result in prolonged low prices for several successive months. At the bottom of the previous price cycle, the farm price of hogs was below \$12 only in December 1955 and January 1956. It is possible that in the current cycle prices will be below \$12 for several months. * * *

The instability of production which tends toward cyclicity not only has adverse effects on farm incomes, but it creates problems for market agencies, packers, and consumers. Fluctuations in hog production undoubtedly cause the establishment of excess marketing and processing facilities. It probably results in such facilities being operated at other than optimum levels of efficiency much, if not most, of the time. It tends to cause earnings of packers and marketing agencies to vary rather widely, as they are presented with problems in trying to merchandise a perishable product with resources which cannot be made as flexible as pork production. A highly variable supply for retail distribution is also undesirable because of the possible effects it has on the demand for pork. The high prices which tend to follow unduly low prices cause consumers to turn to alternative foods with the probable result that pork has to again fall to unduly low price levels to attract back some of its former consumers.

Even though the outlook for hogs during the next 18 months is not bright, there will be strong and well-reasoned arguments to let the situation run its course without Government interference: "The cure for 10-cent hogs is 10-cent hogs." Nevertheless, as numbers build up and prices decline, pressures for Government action will probably intensify. The peak of production is likely to come during the 1960 election campaign and it is only realistic to expect wide discussion of the problem. Careful thought needs to be given now to the question of what the objectives of Government action should be, and to the program which might best accomplish these objectives.

Governmental buying and surplus disposal programs are almost certain to be proposed as hog prices skid. These are essentially transfer payments from taxpayers and consumers to hog producers. However, it is difficult to find outlets for such purchases. Any large amount of disposal in the domestic market would probably have some adverse effect on the normal demand for pork. It is difficult to dispose of any large amounts in foreign markets without creating diplomatic problems. Such a program would not be effective in bringing about an adjustment in hog production; nor could it likely be of such magnitude as to have any material effect on producers' incomes. However, it should be used to the extent that it is feasible. * * *

DIRECT PAYMENTS

If governmental action is to be taken, it would appear that direct payments to farmers offer the best promise of dealing with the currently developing short-run hog problem. A direct payments program on

lightweight hogs, properly conceived and administered, could accomplish the primary objectives. It would supplement producers' incomes; and by being applicable to only lightweight hogs, it would reduce the total potential pork which would normally be marketed from the available hogs, and thus of itself tend to raise prices and reduce the amount of subsidy. It would allow the free market forces of price differentials for quality, location and such factors to operate. It would reduce lard production, and provide leaner pork to consumers which could result in an increased demand for pork. It could be set up and be put into effect in a relatively short time, and would be readily understood by those involved. While it would lower the utilization of feeds in the short run, by tending to smooth the fluctuation in production, the amount of grains consumed over the entire cycle should be as high as if the free market were allowed to run its course. * * *

It is our thought, however, that this would be a stopgap program to meet an emergency situation. It is aimed at encouraging a more orderly adjustment in hog numbers and supplementing hog income over a short period. It would not appear that a seasonally adjusted base price or restriction of payments to meat-type hogs would aid in either of these objectives in the short run, but would only complicate the administration of the payments. It might be argued also that the payment should be triggered by the hog-corn ratio rather than by a fixed base price; or at least, that the hog-corn ratio should be used in conjunction with a base price in determining when payments should be made. However, most of the corn fed to hogs is fed on the farms where the corn is produced, and if the price of hogs goes to a low level, hog farmers would probably need assistance even if the hog-corn ratio were above a prescribed level. Also it appears that at the turning point of the last cycle, the adjustment in numbers was more closely tied to the price level of hogs than to the level of the hog-corn ratio.

The cost of the direct subsidy program can only be roughly estimated. If 90 million hogs are marketed and this causes hog prices to decline to \$11 per hundredweight, the total gross income to hog producers on a free market basis would be about \$2.1 billion. Assuming that the cost of raising hogs, exclusive of the cost of labor and management, was \$10 per hundredweight, the net return to farmers would then be \$200 million. If hogs were supported at \$12.50 and two-thirds of the hogs were marketed under 200 pounds so as to be eligible for the subsidy, nearly \$200 million would be spent during the year in direct support of hog producers' incomes. This would about double the next return to producers.

SENATE

TUESDAY, JULY 28, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of our salvation, to Thee, whose mercy is like the wideness of the sea, we lift our hearts in this morning prayer bringing nothing but our need and the adoration of our contrite hearts.

From Thy hands we have received the gift of life, the blessings of home and of friendship and the sacrament of nature's beauty.

Thou hast given us demanding work to do and the strength wherewith to do it.

We pray that in our appointed tasks we may be preserved from impatience and depression. Grant us in our brief working day some part in the fulfillment of Thy mighty purpose for the world.

Amid all the distraction of this complicated modern life, with its hectic events, keep our hearts childlike and trustful, free from corroding cynicism, that the gates of the kingdom closed to the merely clever and conceited may be open to us as we come in the sincerity and simplicity of the Holy One in whose name we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading

of the Journal of the proceedings of Monday, July 27, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 28, 1959, the President had approved and signed the following acts:

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes; and